

## **Provisions of Engrossed Substitute Senate Bill (ESSB) 6001 relating to Climate Advisory Team (CAT) and Technical Working Groups (TWGs)**

The 2007 legislature passed and Governor Gregoire has signed (with the exception of Section 6) ESSB 6001, an act relating to mitigating the impacts of climate change.<sup>1</sup> This legislation will become effective July 1, 2007. Section 3 establishes the Climate Change Challenge Executive Order goals into statute. Other portions of the law establish greenhouse gas emissions requirements for long term electricity contracts and set forth a number of other specific provisions that relate specifically to the activities of the Technical Working Groups and the Climate Advisory Team. Those specific provisions are indicated below.

### **Forestry TWG**

In meeting the greenhouse gas reduction goals set out in the legislation, which are the same as those in the Executive Order, Section 4(b) directs the Governor to recommend to the legislature how geologic injection, forest sequestration, and other sequestration options could be used to achieve state greenhouse gases emissions reduction goals.

### **Energy Supply TWG**

Section 4 directs the Governor to recommend to the legislature:

- How geologic injection, forest sequestration, and other sequestration options could be used to achieve state greenhouse gases emissions reduction goals;
- A process for replacing the highest-emitting thermal electric plants that have exceeded their expected useful life with newer technologies that have lower greenhouse gases emissions levels;
- Methods to utilize indigenous resources, such as landfill gas, geothermal resources, and other assets that might reduce greenhouse gases emissions; and
- How regulatory and tax policies for electric utilities could be improved to help achieve the greenhouse gases emission reduction goals in a manner that is equitable for electric utilities and consumers.

Section 5 establishes the greenhouse gases emissions performance standard for all baseload electric generation facilities and grandfathers certain entities; Section 5(10) directs the Department of Ecology (ECY) and the Energy Facility Site Evaluation Council (EFSEC) to develop rules to implement the standard by June 30, 2008.

Section 5(11) directs ECY and EFSEC to develop criteria for evaluating sequestration plans in the rules for the performance standard, including:

- Provisions for financial assurances sufficient to ensure successful implementation of the carbon sequestration plan;
- Provisions for geological or other approved sequestration commencing within 5 years of plant operation (including full and sufficient technical documentation);
- Provisions for monitoring the effectiveness of the implementation of the sequestration plan;
- Penalties for failure to achieve implementation of the plan on schedule;
- Provisions for an owner to purchase emission reductions in the event of a failure of a sequestration plan; and
- Provisions for public notice and comment on the carbon sequestration plan.

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<sup>1</sup> The final version of the law, including the Governor's veto of Section 6 is available the <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6001> under Available Documents, Session Law.

Section 5(12) (a) requires ECY to determine, as part of its role in enforcing the standard, whether sequestration or a sequestration plan will provide safe, reliable and permanent protection against releases of green house gases.

Section 5(13) provides a mechanism for certain entities that cannot guarantee a sequestration plan to mitigate carbon emissions by purchasing “verifiable greenhouse gas emission reductions” from within the western interconnection.

Section 7 directs the Department of Community, Trade and Economic Development (CTED) to adopt by rule the average available green house gases emissions output of new combined-cycle natural gas thermal electric generation turbines every five years.

Section 8 directs that all energy supplied by energy companies in Washington through long-term financial commitments meet the greenhouse gases emission performance standard. It also directs the Utilities and Transportation Commission to develop regulations to enforce the provisions.

Section 9 directs that all energy supplied by consumer-owned utilities in Washington through long-term financial commitments meet the green house gases emission performance standard. It also directs that the boards of those entities and the state auditor are responsible to enforce the provisions.

Section 11 directs the Governor to submit a report to the Legislature related to potential benefits of creating tax incentives to upgrade power generating facilities to reduce carbon emissions, the size of the tax credit needed to be a viable incentive, and the costs of the incentives to the state.

#### **Transportation TWG**

No action under 6001

#### **Agriculture TWG**

Section 4(b) directs the Governor to recommend to the legislature how geologic injection, forest sequestration, and other sequestration options could be used to achieve state greenhouse gases emissions reduction

#### **General Requirements of Interest**

Section 3 (2) directs CTED and ECY to provide a report to the legislature on the total GHG emissions for 1990. This report is to be completed by December 31, 2007. Additionally, the section directs for a bi-annual report of even-numbered years to the Governor and the legislature comprising of the total GHG emissions for the preceding 2 years and the totals in each major source sector. These bi-annual reports are to begin in 2010.

#### **Residential/Commercial/Industrial TWG**

No action under 6001

#### **Other**

Section 4(a) directs the Governor to recommend to the legislature how market mechanisms, such as a load-based cap and trade system, would assist in achieving the greenhouse gases emission reduction goals.

#### **Center for Climate Strategies/ECY/DCTED**

Section 3(2) (a) Will require ECY and DCTED to finalize and report to the Legislature 1990 emissions by emission sector by December 2007.